



Senator Jeff Drozda

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News from the Indiana State Senate

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INSIDE: Pre-Session Budget Update

CollegeChoice Program Provides Financial Options for Families

For children, fall marks the beginning of the school year. For many parents, it brings the stark reality of college and its subsequent costs one year closer to fruition. With tuition prices skyrocketing, the dream of college can quickly turn into a nightmare. The state of Indiana now provides parents with a tool to help finance their children's higher education and gain extra tax benefits as a result.

Since 1997, CollegeChoice allows anyone over age 18 to contribute money into a group investment portfolio made up of a strategic mix of stocks, bonds and money market funds. The program provides contributors with an easy, hands-off way to save for college. Once enrolled, a team of experienced professionals manage the portfolio in order to maximize investment growth.

Individuals can establish an account with just \$50 per portfolio and \$25 subsequent monthly installments until contributions reach \$236,750. No enrollment or application fee exists. The enrollee can name any person as a

beneficiary regardless of age and the beneficiary can change at the enrollee's discretion.

Additionally, the investment grows tax-deferred and remains exempt from federal taxes if used for qualified higher education expenses. Whether public or private, the funds can be used at any eligible accredited post-secondary school, including graduate and vocational-technical schools.

Assuming only a 5 percent annual price increase, experts estimate that parents can expect to pay \$143,000 to put a child born today through four years of in-state public college and about \$306,000 for a private college. This sobering statistic highlights the importance of saving for college early. CollegeChoice offers individuals a useful tool to make sure college remains a dream, not a nightmare.

For more information
www.collegechoiceplan.com
or call 1-866-400-PLAN (7526)

HoosierRx Program Discounts Prescription Drugs for Low-Income Senior Citizens

America leads the world in pushing the bounds of science to bring new prescription drugs to the market, resulting in lives saved and an increased quality of life. There are high costs involved in bringing these drugs to the open market. Part of that price tag is passed on to the consumer, which causes patients who do not have drug coverage to suffer financially. As a relief to those patients, some new programs have been established to help with the costs of prescription drugs.

The U.S. government has launched a new drug discount card that will provide immediate financial relief to seniors. This program, which took effect on June 1, allows recipients to choose a discount card program that best suits their needs. Medicare will be providing reliable and accessible information. Anyone who is enrolled in Medicare Part A or Part B

and not receiving Medicare benefits is eligible for the discount drug card program. For more information or to become enrolled, you may call **1-800-MEDICARE** (1-800-633-4227) or visit the Medicare website at www.medicare.gov.

HoosierRx is a state program that helps to shift the cost of prescription drugs away from low-income seniors. HoosierRx was enacted four years ago by the General Assembly and allows seniors who qualify to receive a 75 percent discount on the cost of medications. This program will be coordinated with the Medicare discount drug card to maximize savings. Low-income seniors can sign up for the HoosierRx Drug Card by calling, toll-free, **1-866-267-4679** or by visiting www.in.gov/HoosierRx. Local pharmacies will also have applications.

Get Involved!

..... How you can participate in the Indiana General Assembly

Voting is one very important way to make sure your views and concerns are being represented in government, but there are many other ways citizens can get involved to make our state a better place to live.

Write letters: During a typical day, a public official receives dozens of e-mails and letters with messages conveying his or her constituents' interest in a particular bill or issues. The key to getting your public officials' attention is to keep it simple, keep it short and make sure it's directed to the right person.

Attend Interim Study committees: During the interim, state legislators and local leaders meet publicly in study committees and commissions to discuss a variety of topics and decide if legislation is needed during the upcoming session. This is a great opportunity to hear discussion and voice your opinion. You can find the calendar of meetings online at: <http://www.in.gov/legislative/interim/calendar>. The calendar is updated regularly.

Attend Standing Committees: The legislative session allows the opportunity for citizens to come down to the Statehouse and listen to proposed legislation and

provide public testimony. Often, you must request an opportunity to speak by contacting the committee chairmen before the meeting. Find information online at: <http://www.in.gov/legislative/session/calendars>.

Visit web sites: The General Assembly and all state agencies have web sites that are available with information on a variety of topics and who to contact if you want more information. The General Assembly site has an area dedicated to committee meetings, legislative surveys and links to email your senator. Go to www.in.gov/legislative or visit www.in.gov/senate_republicans.

Organize or attend local events: Many local communities have a variety of organizations dedicated to furthering a cause or improving the lives of its citizens. A great way to stay involved and give back is to attend functions sponsored by these groups. If you feel that an area needs representation, form an organization and work together to further your cause.

If you do not have Internet access at home, please visit the computer station at your public library.

Consumer Information

Unclaimed Property

The Attorney General reports thousands of unclaimed property listings all across the state of Indiana. Some possible sources of unclaimed property are: credit balances, old savings and checking accounts, unpaid wages, mutual fund shares, insurance proceeds, uncashed traveler's checks, and utility deposits.

You can contact the Indiana Attorney General's office to see if you or a relative has a claim. Visit www.indianaunclaimed.com or call, toll-free, **1-866-IN-CLAIM** (1-866-462-5246).

Unwanted Faxes

Contact the Federal Communications Commission to report any unsolicited faxes. You can file a formal complaint at www.fcc.gov/cgb/complaints.html or call, toll-free, **1-888-225-5322**.

Direct Mail Lists

Tired of receiving advertising through the mail? Remove your name from direct mail lists by visiting

www.dmaconsumers.org or write to:

Mail Preference Service
Attn: Dept 12851374
Direct Marketing Association
PO Box 282
Carmel, NY 10512

National No-Call List

Indiana led the way with the creation of a no-call registry. Federal legislators followed suit by creating a national do not call list. Consumers now can list both home and mobile phone numbers in order to prevent unsolicited telemarketing calls. To register your phone number on the national list, visit www.donotcall.gov. Additions to the list are updated every three months.

Indiana Leads the Way In Implementing No Child Left Behind



The biggest challenge many states are facing on education is how to implement the **No Child Left Behind Act** of 2001(NCLB) that was signed into law by President George W. Bush on January 8, 2003. The act expanded the federal role in education and set in place requirements that reach into every public school in America.

Thanks to the leadership of the General Assembly, Indiana helped lead the nation in school reform with the passage of Public Law 221 in 1999. P.L. 221 is Indiana's school improvement and accountability law that put in motion many of the same requirements that NCLB requires. The law focuses on improving education for all schools and ensuring Hoosier students have the skills they need to succeed.

In recent months there has been criticism of potential flaws in NCLB. Congress and the Federal Department of Education are working to address these concerns, to allow more flexibility

for low performing schools, and to improve special education. The General Assembly is committed to making sure that Indiana continues to ensure that no child is left behind. For more information on this topic and other education related issues, please visit the Indiana Department of Education web site at www.doe.state.in.us.

Both NCLB and P.L. 221 require the following of our schools and educators:

- High academic standards
- Assessment using tests aligned with the standards
- Accountability for achievement
- Focus on the needs of all children
- Highly qualified teachers
- School safety measures
- School report cards
- Comprehensive data system (www.asap.state.in.us)

Senators Study Variety of Topics In Summer Committee Meetings

Drozda serves on three panels during interim

This year, I have been appointed to serve on the **Interim Study Committee on Educational Issues**. The committee has been charged with studying school based mentoring programs and reviewing state educational mandates.

I am also serving on the following panels:

Indiana Film Commission:

The Film Commission encourages economic development as it relates to

film production, editing and distribution.

Human Resources Investment Council:

This council acts as the state advisory body under several federal laws including the Job Training Partnership Act, the Wagner-Pyser Act, the Carl D. Perkins Vocational and Applied Technology Act and the Adult Education Act.

State Faces Tough Budget Decisions in 2005

Indiana Personal Income Lags the Nation

On July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just \$300 million on June 30, 2005 – the close of the current budget cycle. As shown on **Figure 1**, this means the state's reserve will have declined by nearly \$2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections increased by about 2.7 percent for Fiscal Year 2004, the year that just ended.

In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary solutions. Some examples of these tactics include \$712 million in payment delays to school districts and local governments already working within tight budgets and borrowing \$380 million from the teacher's pension stabilization fund. I have consistently opposed these short-sighted accounting tactics. So, while it may seem like Indiana's economy is improving, the state's financial condition actually remains very weak.

A \$300 million reserve sounds like a lot of money. But with an annual \$11.2 billion General Fund Budget, including big items such as \$4.3 billion for K-12 education, \$2.1

billion for local property tax relief, \$1.4 billion for universities and \$1.2 billion for Medicaid, \$300 million really is not a sufficient reserve. In fact, the State Budget spends more than \$30 million per day every day of the year. A \$300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. As reflected in **Figure 2**, the problem has steadily grown since 1996. Today, the average Hoosier worker earns only about 91 cents for every \$1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. If Indiana workers earned the same as the national average, the subsequent gain in tax revenues would erase the state's structural deficit. Indiana needs to improve its economy relative to the nation or Indiana's budget — and the ability to adequately fund priorities like education and health care — will remain a problem.

Beginning in January, the General Assembly will start work on the state budget for the next biennium. Much of the discussion will center on adequate funding for education and health care. But, it is equally important to continue to try to find ways to diversify the economy and stimulate business investment as the real long term solution to the state's budget dilemma.

Section 5 of the Indiana Constitution States:

No law shall authorize any debt to be contracted, on behalf of the State, except in the following cases: to meet casual deficits in the revenue; to pay the interest on the State Debt; to repel invasion, suppress insurrection, or, if hostilities be threatened, provide for the public defense.

The State Budget spends more than \$30 million perday every day of the year. A \$300 million reserve barely funds 10 days of expenses.



SNAPSHOT: Senator Drozda reviews legislation during a committee hearing. The next legislative session will convene in early January 2005.

